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PROGRAMME PLANNING

UNDP: Country programmes and related issues

THIRD COUNTRY PROGRAMME FOR THE BRITISH VIRGIN ISLANDS

Programme period	Estimated resources	$
1995-1996	IPF	78 000
	Cost-sharing (programme and project)	465 000
	Total	543 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. The British Virgin Islands are a dependent territory of the United Kingdom, located between Puerto Rico and the United States Virgin Islands. The territory is comprised of 60 small islands dispersed over an area of 153 sq km. Over 90 per cent of the population of 17,000 is located in the four largest inhabited islands of Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

2. Natural resources are employed extensively in the production of tourism services, which together with offshore financial business services, are the mainstay of the economy. On the whole, the economy has made significant gains over the past 16 years. However, the high double-digit growth rates of the mid-1980s have gradually tapered off to the level of 2 per cent-4 per cent annually in the 1990s. The per capita gross domestic product (GDP) is currently $10,879.

3. Since 1980, the acute shortage of skilled manpower has caused immigration to play a significant role in the rate of population increase, accounting for over 50 per cent of growth. Immigration flows are expected to continue to serve the tourism, construction, financial, transportation and communication sectors. Population is therefore emerging as a critical factor in the development of the country. With more than half of the labour force in the territory consisting of immigrants, social and labour issues are an important dimension of policy formulation.

4. The rapid expansion in building construction and other physical infrastructure clearly indicates the urgency of a coherent public investment programme and a cogent environmental policy, given the very limited land mass.

B. National development objectives and strategies

5. Economic expansion has brought about significant improvements in educational, health and other social services. However, a number of complex population issues have emerged and there is also concern that the carrying capacity of the islands is under pressure from the effects of uncoordinated human activity on the fragile environment. Rapid transformation of natural resources into physical capital is also contributing to environmental pressures.

6. The Government is committed to achieving a greater degree of balance between often competing economic, social and environmental imperatives. Therefore, priority attention has been placed on a strategic analysis of these key issues as the precursor to improved policy formulation. Population and gender issues will be taken fully into account.

7. The relative scarcity of domestic skilled manpower is perhaps the greatest constraint to development. Deficiencies in the educational levels of the labour force persist and appear to be linked to past weaknesses in the educational system. The Government, therefore, attaches priority to upgrading existing educational facilities and resolving the problem of scarcity of trained staff.

II. EXTERNAL COOPERATION

A. Role of external cooperation

8. The United Kingdom is the major bilateral donor, providing capital assistance for the extension and renovation of the Pebbles Hospital and for the rehabilitation of the Road Town water distribution network. The technical cooperation programme of the United Kingdom provides for a small number of posts and training awards in the public service e.g., police, taxation, customs and offshore finance. Official development assistance (ODA) supports the current sexually transmitted disease (STD)/AIDS programme. The European Development Fund (EDF) is financing a water project and may finance a new airport terminal EDF financing has also been earmarked for the construction of a library resource centre at the Community College. The seaport development currently under way is being co-financed by the Caribbean Development Bank (CDB) and the European Investment Bank.

9. The country benefits from regional activities supported by the United Nations Children's Fund (UNICEF) in the areas of advocacy for children's rights, and early childhood and primary education. The United Nations Population Fund (UNFPA) is supporting family planning and family life education. The United Nations International Drug Control Programme (UNDCP) has also provided inputs for programmes related to drug abuse control and public awareness.

B. Aid coordination arrangements

10. All external cooperation is coordinated and monitored by the Office of the Chief Minister. As a constitutional dependency of the United Kingdom, the British Virgin Islands is an associate member of the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS) and both of these organizations facilitate in coordinating regional development programmes.

11. The CDB convenes sub-group meetings on donor assistance to the United Kingdom dependencies in the Caribbean, usually in conjunction with its annual meeting. UNDP convenes donor consultations on a quarterly basis on sectoral or thematic issues in an effort to mobilize resources and coordinate programmes among donor organizations operating in the Eastern Caribbean. The Resident Representative also serves as the Resident Coordinator of the operational activities of the United Nations development system at the country level and this enhances the capacity of the United Nations system to act in concert on multisectoral approaches to development issues.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

12. The focus of the second country programme was primarily on physical development planning. The programme was designed to assist with the development of a sound physical planning infrastructure with the aim of establishing the

necessary policies, programmes and legislative machinery for development control and protection of lands and environmental assets.

13. The major constraint encountered in implementation of the programme was the inadequacy of national capacities for analysis of the economic, social and environmental situation. Although UNDP support had less impact than was expected, it did result in the preparation of an urban design plan for the capital Road Town; draft legislation pertaining to environmental impact assessment and management; training modules for strengthening physical planning capacities; a fully operational geographical information system and properly trained personnel to support planning decisions; a national spatial development plan and the institution of mechanisms for broad-based intersectoral consultations with the private sector, non-governmental organizations (NGOs) and other partners in civil society, on matters related to land-use planning, development and environmental management.

B. Proposals for UNDP cooperation

1. Preparatory process

14. The third country programme is the result of discussion on the advisory note as well as of ongoing consultations between government ministries and departments, UNDP and several United Nations agencies, including UNFPA, UNDCP and the United Nations Centre for Human Settlements (UNCHS) (Habitat). Consultations were also held with the CDB and the British Development Division.

2. Strategy for UNDP cooperation

15. In developing the programme, UNDP comparative advantages in the British Virgin Islands were kept in focus. Those advantages include the impartiality of advice from UNDP; its multisectoral approaches to people-centred issues; access to a wide range of technical expertise and technology; and flexibility of implementation modalities. It is within this context that a single area of concentration was identified for UNDP support.

16. The Government considers that the neutrality and universality of UNDP make the organization well placed to assist in the formulation of a sensitive strategy dealing with national development. Moreover, in view of the role of UNDP in capacity-building and its ability and experience in supporting aid coordination arrangements, an important additionality will be provided to the Government for the identification of donor support for the projects identified within the strategy.

17. At the very inception of the process of formulating the integrated development strategy, UNDP will establish close collaboration with the principal bilateral donor, namely the United Kingdom/ODA, and the several development banks that are active in the country, with the objective of mobilizing their support in the form of technical cooperation inputs for the design and implementation of the strategy. In addition, particular linkages will be made

between the country programme and the ODA health sector programme for the restructuring of public health services.

3. Proposed UNDP cooperation

18. Integrated development strategy (100 per cent of the indicative planning figure (IPF)). The role of UNDP in the new country programme is to provide policy advice and institutional strengthening inputs for the development of an analytical framework for examining development options. This framework or strategy for sustainable development will take systematic account of the priority social, economic, human resource and environmental issues in a holistic manner. It will build on previous UNDP support for economic and physical planning as well as other donor programmes, such as the coastal zone inventory produced by the National Resources Institute (NRI) and University of Newcastle, and the recent study of the management options for the exclusive fishing zone of the British Virgin Islands. Government and United Nations Environment Programme (UNEP) cost-sharing of $465,000 is foreseen.

19. The process towards the proposed analytical development framework will involve the participation of both the public and private sectors as well as NGOs and community organizations so that optimal decisions may be taken on the best use of the country's natural, human, financial and physical resources.

20. In the first year of the programme the following will be in place: (a) a framework for the strategy will be established; (b) an intersectoral committee appointed; and (c) data collection will be concluded. During the second year, policy formulation will be fine-tuned on the basis of feedback from the public and political entities, sectoral activities will be clearly defined, a project data bank will have been established, and government personnel will have acquired the necessary skills for successful implementation of the strategy. Actual implementation of the integrated development strategy is expected to commence by 1997.

21. The expected outcome of UNDP cooperation will be an objective assessment of the national five-year medium-term options for development. It is also anticipated that the capacities within the country will be strengthened to define and implement more effective policies that will put the economy on a sustainable growth path. In addition, it is envisaged that the integrated development strategy will enhance the ability of the Government to coordinate more effectively all sources of external and internal cooperation, including private sector contributions to the development process.

C. Assistance outside main country programme area

22. The British Virgin Islands is expected to mobilize further resources or inputs offered by the donor community through regional and subregional organizations such as CARICOM and OECS, which are currently receiving support from the major donors, for example BDD, CDB, the Canadian International Development Agency (CIDA) and the United States Agency for International Development (USAID). The International Telecommunication Union (ITU) is

expected to provide support for some administrative, technical and regulatory aspects of the telecommunications sector.

D. Implementation and management arrangements

23. UNDP recognizes the critical importance of the regional institutions and mechanisms that have been set up by the Government as specialized organizations in their respective areas of expertise. The University of the West Indies, the Caribbean Agricultural Research and Development Institute, the Caribbean Centre for Development Administration, the Caribbean Environmental Health Institute (CEHI), the Caribbean Tourism Organization (CTO) and the Caribbean Conservation Association (CCA) are examples of such institutions. In a thrust towards a greater degree of national execution, the technical resources available through such regional institutions will be utilized whenever possible to supplement national capacities for designing and implementing development programmes.

24. The programme will be reviewed through the mechanism of quarterly consultations between the Government, OECS and UNDP. One objective of these consultations is to achieve a greater degree of complementarity between the country programme, the multi-island programme and the Caribbean regional programme than is now the case.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	$	$
Fourth-cycle carry-over	30 000	
Fifth-cycle IPF	78 000	
		108 000
Less:		
Actual 1992 expenditure	45 000	
Actual 1993 expenditure	53 000	
Estimated 1994 expenditure*	(68 000)	
		(30 000)
Available IPF resources		78 000
Project cost-sharing (Government)	275 000	
Proposed cost-sharing (UNEP)	190 000	
Subtotal cost-sharing		465 000
TOTAL		543 000

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

	Thousands of dollars			
Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Integrated development strategy	78	465	543	100
TOTAL	78	465	543	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES IN UNDP AREAS OF CONCENTRATION

No complementary assistance is foreseen.

* Net of extimated IPF reimbursement as a result of net contributor country status.

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus: Poverty eradication and grass-roots participation in development	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
INTEGRATED DEVELOPMENT STRATEGY		•	•	•	•	